



# Investor Presentation

November 2010

A Carillon Capital Partners Offering



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# Gatekeeper Security

## **COMPANY OVERVIEW**

- ❑ Established in 2004, Gatekeeper is a world leader in automated, integrated under-vehicle detection systems. As a critical component of perimeter security systems, Gatekeeper products and systems provide a “first line of defense” against devices such as weapons and explosives mounted or hidden in the under-carriage of vehicles and rail cars.
- ❑ Defending against this type of threat is a priority in the facility security systems or access control systems of governmental and commercial organizations domestically and around the world.
- ❑ The company’s patented bi-directional scanners rapidly capture, compare and identify under-carriage anomalies, then deliver high resolution 3-D images to security personnel and systems users. Customers equipped with Gatekeeper scanners/systems effectively detect under-vehicle mounted devices in a systematic, dependable, fast and efficient manner.
- ❑ Gatekeeper products and systems have been integrated into sophisticated and layered security systems and are working effectively in government & commercial facilities, installations, ports, airports and other access control points in the U.S. and around the world.

***Gatekeeper solutions include Automatic Under Vehicle Inspection Systems (AUVIS) that use digital computer vision technology to "fingerprint" cars, trucks, buses & rail cars to identify and search the under carriage by matching it's fingerprint against a database on known safe fingerprints - automatically, without human error.***

***Gatekeeper AUVIS is approved by the US-DoD and are deployed world-wide.***

## Gatekeeper technology is shaping the industry response to threat detection.

Gatekeeper is actively involved in combating global terror through its development and worldwide deployment of security systems that allow vehicles to be automatically searched and drivers and passengers to be screened from a safe distance.

Gatekeeper's patented technology rapidly scans a vehicle's undercarriage and **automatically**:

- ☐ **Identifies** the vehicle's make and model,
- ☐ **Detects** any foreign objects or modifications,
- ☐ **Highlights** these changes, and
- ☐ **Alerts** personnel of any threats - all in a matter of seconds.



**Approved by  
The Department  
of Defense / NAVY  
EODTECH**

**Applications include military checkpoints, airports, seaports, trains/railways, hotels, government buildings, royal palaces, nuclear power plants, chemical companies, border crossings....virtually any high value facility, campus or infrastructure**

# Company Information – General



- ❑ The Company was founded and currently managed by Christopher Millar and Richard “Dick” Barcus and was incorporated in the state of Delaware in 2005.
- ❑ Gatekeeper Inc. currently holds patents (granted in 2007) for the physical layout of the scanner. Patents have been granted in the U.S., Israel and Japan and are pending in the EU, Canada and Australia. A provisional patent exists and covers the “fingerprinting”, auto-detection, and the identification of vehicles make and model based on the vehicles undercarriage.
- ❑ The first Gatekeeper product was delivered in early 2005. Since that time the Company has generated approximately \$6.5 million in revenue on 134 total units sold thru September 30, 2010.
- ❑ Revenue for FY 2010 was approximately \$2.4 million. Products have been sold in 18 countries around the world.
- ❑ Revenue for 2011 is expected to reach \$6.4 million with sales of roughly 135 units worldwide.
- ❑ To date, Gatekeeper systems have been primarily sold via re-seller arrangements with dealers.

# Company Information – Ownership Structure



□ The ownership structure of Gatekeeper, Inc. is as follows (as of August 30, 2010):

Ownership Structure of Gatekeeper, Inc. August 30, 2010						
Holder	Number of Common Shares Owned Outright	Options Granted	Options Not Yet Issued	Treasury Stock	Total Shares Common Stock	Fully Diluted Common Stock Ownership %
Options Not Yet Issued	-	-	5,265,000	-	<b>5,265,000</b>	29.2%
Dick Barcus	450,000	3,000,000	-	-	<b>3,450,000</b>	19.1%
Chris Millar	3,000,000	-	-	-	<b>3,000,000</b>	16.7%
Hawkeye Technologies	2,500,000	-	-	-	<b>2,500,000</b>	13.9%
Treasury Stock	-	-	-	1,883,555	<b>1,883,555</b>	10.5%
John Will	-	1,200,000	-	-	<b>1,200,000</b>	6.7%
Lynn Millar	-	525,000	-	-	<b>525,000</b>	2.9%
Zane Markowitz	125,000	-	-	-	<b>125,000</b>	0.7%
Lakenheath Electronics Design, Inc.	41,445	-	-	-	<b>41,445</b>	0.2%
Rudy Bernard	-	10,000	-	-	<b>10,000</b>	0.1%
<i>Common Stock</i>	6,116,445	4,735,000	5,265,000	1,883,555	<b>18,000,000</b>	100.0%
<i>Preferred Stock</i>					<b>2,000,000</b>	
<i>Total Authorized Shares</i>					<b>20,000,000</b>	

## **Christopher A. Millar**

Chris is a co-founder and CEO of Gatekeeper. Millar's professional experiences have taken him around the world working in 12 countries. Before establishing Gatekeeper, Millar had significant exposure in the area of computer vision as it applies to the defense and homeland security industries. Building on this experience and his international finance and investment knowledge, Millar built a team of outstanding professionals to design and develop a range of exceptional and unique access control technologies. Prior to becoming a technologist, Millar was a successful international investment banking professional and recognized by the Asian Development Bank (ADB) as a Banking Policy Expert and as an author of extensive research papers for the ADB on integration of the Asian regional banking industry. Millar has also held director and senior management positions with several large financial institutions including: managing director of Bankers Trust Company in Hong Kong and executive director of Bancorp Capital Markets. Millar's background in physics, economics, finance and technology has led to the development of Gatekeeper as the world leader in automatic under vehicle inspection technology.

## **Richard “Dick” Barcus**

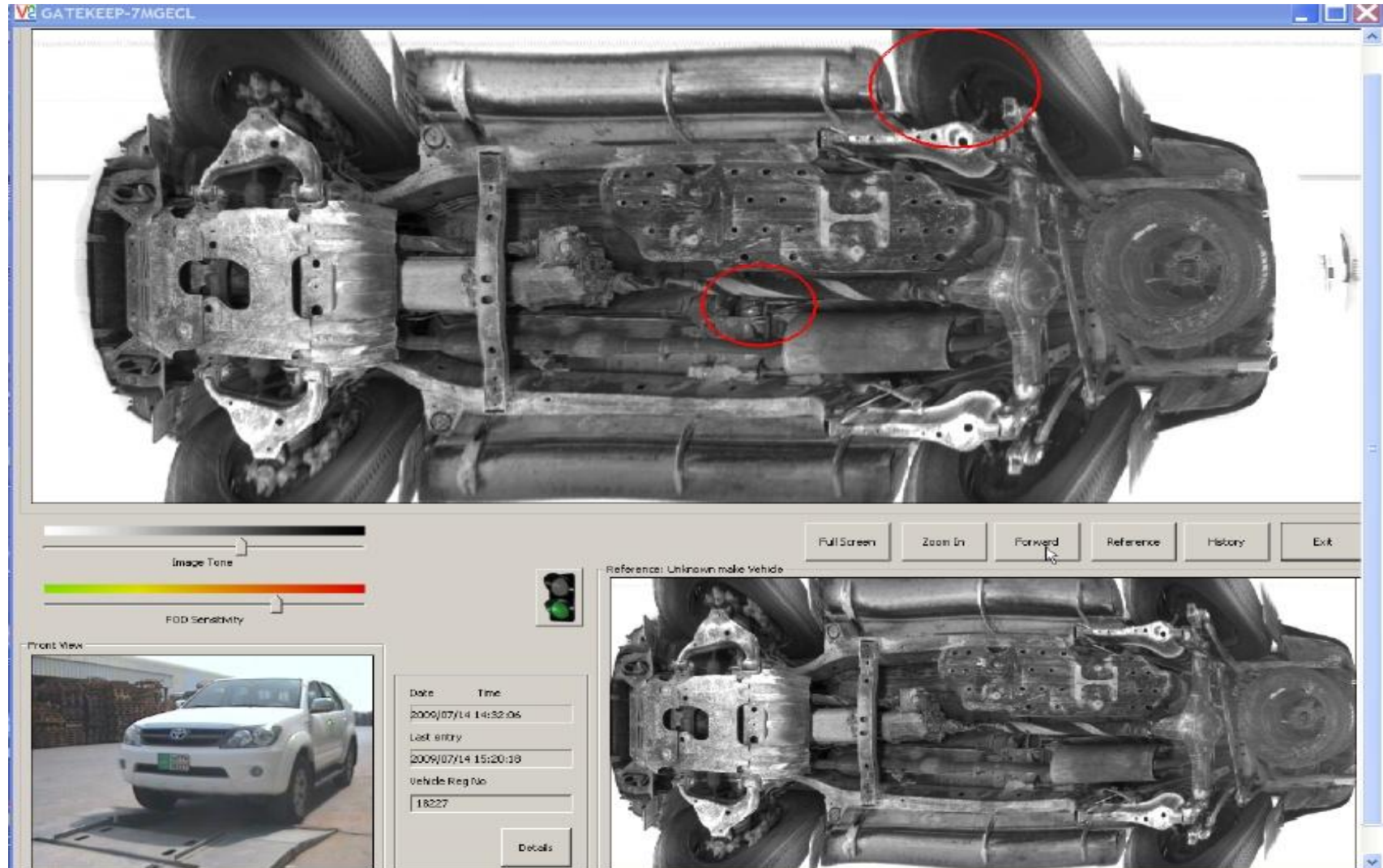
Dick has a distinguished 30-year career serving in senior management positions with large and small, public and private high technology companies. He has a broad background in engineering, optical technology, operations, marketing, sales, customer service and finance from his work with service providers, hardware and software system suppliers, and early stage venture capital investment firms. Barcus has served as: general partner at Avansis Ventures, CEO of Yafo Networks, and president and COO of Tellium. In addition, he's held several senior executive positions at ADC Telecommunications including general manager for the Metrica Division (Mobile Software) and vice president of sales and marketing for the Transmission Systems, Broadband Communications and Video Systems Divisions. Earlier in his career, he held senior management positions in sales, marketing, customer service, product development, engineering and operations at Fujitsu Network Systems, MCI, Ameritech and NSA. Barcus has been a keynote speaker at industry association conferences and has been published by the International Engineering Consortium. He holds a bachelor's degree from Aurora University and a master's in business administration from George Mason University.



- ❑ **Automatically detects threats or modifications to vehicle undercarriage:**
  - Embedded or mobile platform
  - Dual view Area scanning system
  - Image stitching software
  - Automatic change detection software
  - Database includes watch lists for vehicles, license plates and other high risk targets
  - Creation of vehicles “fingerprint” via high resolution images
  - “Overview”/driver camera captures view of driver and vehicle
  - Embedded networking capability
  - Integrated devices; cameras, traffic light
  - Can be integrated with weigh in motion scales, GatePost biometric systems, facial recognition systems, RFID identifier, SmartCard readers and barriers

# Technology Summary & Business Advantages

Gatekeeper Is The ONLY Fully Automatic Under Vehicle Inspection System In The World



**To Integrate Disruptive, Resource Displacing and High Technology Inspection Systems With Traditional “Guard” Services to Improve Security While Actually Reducing Total Cost**



Model GKH-1011  
Mobile Dual View  
Deployed at Camp Arifjan, Kuwait



Model GKH-2011  
Embedded Dual View  
Deployed at Grand Hyatt Amman Jordan



Model GKH-3011  
Mobile, Single View System  
Deployed at MoDA, Saudi Arabia



Model GKH-TR11 Embedded,  
Dual View Deployed at Saltillo,  
Mexico

## Cutting Edge Technology

- Area Scan technology provides high resolution virtual 3-Dimensional digital image regardless of speed of vehicle
- Line Scan technology, streaming video or camera/mirror on a stick do not provide the quality image or automatic recall and comparison of stored safe images
- Patented software allows automatic identification of foreign objects and modifications to vehicle undercarriage

## System Performance & Safety

- Dual view allows for easier detection of threatening and foreign objects.
- Competing systems only provide one 90 degree view which does not detect objects hidden above parts of the undercarriage
- Eliminates poor performance due to human error
- Creates a virtual “fingerprint” of each vehicle scanned
- Automatically recalls vehicle from stored database based on image, not license plate
- Independent testing has validated the systems accuracy against stringent specifications.

## Cost Savings

- Comparable pricing compared to competitors offering
- Gatekeeper systems automate a task that has been traditionally been accomplished with inferior technology and with a high labor cost.
- Labor reductions can be implemented immediately while dramatically increasing the confidence level of security performance.

- ❑ Gatekeeper has worked with the US Department of Defense Technical Support Working Group (DoD-TSWG) and NAVY EODTECH since 2004 to meet requirements of all DoD agencies.
  - In early 2005, the US Navy EODTECH conducted extensive testing and approved Gatekeeper for field evaluation.
  - In May 2005, Gatekeeper was field tested at Checkpoint 1, International Zone, Baghdad, Iraq by CENTCOM forces and was declared fit for unrestricted deployment . As a result, many systems are now in daily use by the US Military.
- ❑ Gatekeeper worked with the US Defense Advance Research Programs Agency (DARPA) to develop the technology to identify vehicle makes, models, year of manufacture, number of cylinders, manual or automatic transmission and style of vehicle (sedan, convertible etc) all from the under vehicle image. **Gatekeeper scored 96% accuracy in these tests.**
- ❑ Gatekeeper has also been included in numerous programs carried out by various agencies of the US government. The Transportation Security Agency (TSA) sponsored and carried out in- depth testing of the Gatekeeper systems at Dulles Airport as part of an overall program to identify technologies that meet their requirements for future deployment at other similar airports across the US. Several systems we subsequently ordered and are in use today.

- ❑ Gatekeeper has recently completed months of testing and assessments carried out by a leading global security technology company based in Switzerland. As a result of these tests, Gatekeeper is now the only approved technology by a major Middle East Country and will be shortly deployed across that country.
- ❑ Gatekeeper is an integral part of JF Pass (the US Joint Forces Access Control System) that is presently under going system wide testing in both Europe and the US. In addition, other countries, government agencies and independent foreign testing companies have conducted testing and analysis.
- ❑ Gatekeeper is fully integrated into Symmetry© which is the enterprise security management system from G4S Securicor. As a result, Gatekeeper is now being designed into many large projects under development throughout the Middle East, North Africa and South Asia region.



❑ Selected for high profile facilities across the world. The following represent a sample of Gatekeeper's installed base and customer set including:

- US Department of State, various American Embassies including Riyadh, Saudi Arabia
- United Nations Headquarters, New York City
- Abu Dhabi Police Headquarters, Abu Dhabi, United Arab Emirates
- Federal Reserve Bank, Philadelphia, Seattle, Dallas
- Alcohol Tobacco and Firearms Headquarters, Maryland, USA
- US Military, including CENTCOM (Iraq, Afghanistan, Kuwait), PACIFICCOM (South Korea)
- Kuwait Ministry of Foreign Affairs Headquarters, Kuwait City, Kuwait
- Saline Water Cooperative Company, Saudi Arabia, (All 7 plants protected)
- Dulles International Airport, Metropolitan Washington Airport Authority
- Grand Hyatt, Crowne Plaza and Intercontinental Hotel locations in Middle East
- Spain Nuclear Regulatory Commission, multiple classified location
- Russia Atomic Energy Commission, 90% of nuclear plants protected
- Ministry of Border Guard and National Guard, Saudi Arabia
- Ministry of Defense and Aviation , Saudi Arabia
- Defense Supply Center, Columbus, Ohio & Richmond, Virginia

# Gatekeeper Security

## **STRATEGIC OBJECTIVES**



- ❑ The Company is currently considering a number of strategic growth options as it relates to the future direction of the Company. These initiatives center on the following:

## Product Development

- **Development of the GKH-5011** – A lower cost version of the Gatekeeper product line designed to meet the value oriented clients with a price point of approximately \$25,000 per unit. The demand for a lower priced unit remains high.
- **Development of the GKH -360** – The evolution of technology and systems that takes the same high resolution digital images (360 degrees) from the top and sides of the vehicle as well as the undercarriage. This system will be integrated into a shelter or mobile enclosure for vehicular traffic and may be installed within underpasses for railcars and trains.

## Expand Our Global Presence

- **Opening of a Gatekeeper Office in the Middle East** – Tremendous current and future growth is coming out of this region of the world. A presence in the Middle East is expected to further promote and stimulate sales of the Gatekeeper products.
  - Will require an investment in opening operations.
  - Human resources required to staff operation and to create and expand key relationships with customer base and strategic partners.
  - Continued time commitment of key management.
- **Expand Role of Reseller Network**
  - Increase scope of resellers beyond marketing and selling to include full service logistics and support.

## Penetrating Domestic and Emerging Markets

- **Penetrating trains and railroad/railway industries**
- **Addressing growing need in Homeland Security markets**
  - Critical infrastructure, seaports, airports, power
- **Commercial and military applications in the US market**

## Partnerships

- **Expand reseller footprint**
  - Concentrate investment in a smaller number of more capable resellers
- **Create ExIm financing facility**
  - Efforts are underway to formalize a relationship and terms with the Export/Import Bank to facilitate the acquisition and financing terms for the international customer base.
- **Expanding and creating a more robust supply chain**
- **Establish well respected local maintenance and logistics providers**

# Strategic Initiatives - Funding Needs

- ❑ Each strategic Initiatives requires a certain level of funding to implement. The below table provides a high level summary of the estimated funding needs of the priority initiatives.

Initiative	Required \$	Time Horizon
Middle East Based Sales & Marketing Presence	\$500,000	9 Months
Model GKH-5011 Product Introduction – R&D	\$650,000	12 Months
Rail Version Development	\$175,000	6 Months
ExIm Equipment Financing Facility	\$50,000	Immediate
Model GKH-360 Product Development and Integration	\$225,000	TBD
Accounts Receivable Financing	\$1,000,000	Ongoing
Working Capital Needs for Expansion & Resources	\$2,000,000	Ongoing
<b>Total</b>	<b>\$4,600,000</b>	

Gatekeeper Security

# **PROPOSED TRANSACTION**

- ❑ Two potential strategic options are being considered by Gatekeeper management.
- ❑ Under either scenario the objective is to provide Gatekeeper, Inc. the necessary resources and structure to support future growth and continue expansion plans.

**1. Direct Sale to Strategic Buyer or Private Equity Fund** – Buyers actively pursuing and acquiring complimentary technologies or technology companies to expand their existing portfolio or to fill gaps in their current offering. A transaction would involve:

- A sale of 100% of the shares of the Company's common stock for cash or stock in buying entity.
- Management will agree to a transition retention arrangement for a period of time mutually agreeable by both parties.

**2. Capital Raise of approximately \$5.0 million.**

- A sale of shares of the Company's common stock for cash, proceeds used to support growth
- Adequate capital to support future growth initiatives and necessary personnel additions.
- Management contracts will be executed to ensure stability of operations.

# Gatekeeper Security

# **FINANCIAL SUMMARY**

# Financial Statements – Historical



Miscellaneous Revenue	\$ 3,920	\$ 178,682
<b>Total Revenue</b>	<b>\$ 1,652,874</b>	<b>\$ 2,381,737</b>
 Total Cost of Goods Sold	 \$ 941,279	 \$ 992,987
<b>Gross Profit on Sales and Service</b>	<b>\$ 711,594</b>	<b>\$ 1,388,750</b>
Miscellaneous Interest Income	\$ -	\$ 186
Settlement Income (1)	\$ -	\$ 40,000
Other Income - Other	\$ 5,000	\$ -
Vendor Discount	\$ -	\$ 7,179
<b>Gross Income</b>	<b>\$ 716,594</b>	<b>\$ 1,436,116</b>
Operating Margin	43%	58%
 <b>Expenses</b>		
Total General Operational Expenses	\$ 239,604	\$ 268,494
Total Payroll Expenses	\$ 332,190	\$ 388,251
Total Payroll Taxes	\$ 11,114	\$ 16,049
Total Professional Fees (2)	\$ 66,069	\$ 230,180
Rent	\$ 43,053	\$ 49,158
Total Service Charges	\$ 9,277	\$ 9,652
Total Tax	\$ 3,217	\$ 3,132
Telephone and Fax	\$ 30,065	\$ 25,062
Total Travel Expenses	\$ 121,902	\$ 106,898
Utilities	\$ 3,154	\$ 3,140
<b>Total Expense</b>	<b>\$ 859,645</b>	<b>\$ 1,100,017</b>
 <b>Actual Net Income Pre-Tax</b>	<b>\$ (143,050)</b>	<b>\$ 336,099</b>
 <b>Footnoted Normalized Adjustments</b>		
1 Settlement in Legal Proceedings w/ Stratech	\$ -	\$ (40,000)
2 Excess Professional Services Fees legal action	\$ 25,000	\$ 180,000
<b>Footnoted Normalized Income</b>	<b>\$ (118,050)</b>	<b>\$ 476,099</b>

# Financial Statements – Balance Sheet



		As of 10/31/2010
<b>ASSETS</b>		
Current Assets		
Total Cash Accounts	\$	135,533
Total Accounts Receivable	1 \$	783,390
Total Other Current Assets	\$	180,802
<b>Total Current Assets</b>		<b>\$ 1,099,725</b>
Fixed Assets		
Accumulated Depreciation	\$	(52,265)
Furnitures & Fixtures	\$	10,709
Office Equipments - Computers	\$	6,918
Software	\$	13,540
Truck	\$	29,150
<b>Total Fixed Assets</b>		<b>\$ 8,052</b>
Other Assets		
Accumulated Amortization	\$	(16,499)
Loan Fee	\$	14,867
Patent (FA)	\$	28,752
Research & Development	\$	175,674
<b>Total Other Assets</b>		<b>\$ 202,794</b>
<b>TOTAL ASSETS</b>		<b>\$ 1,310,570</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
Accounts Payable	\$	120,046
Total Accrued Liabilities Salaries Management	2 \$	1,199,343
Line of Credit - Sona Bank	\$	555,000
Loans to Owner - Dick Barcus	\$	70,000
Miscellaneous	\$	(53)
<b>Total Liabilities</b>		<b>\$ 1,944,336</b>
<b>Equity</b>		
Common Stock	\$	150
Retained Earnings	\$	(853,327)
Treasury Stock	\$	(116,690)
Net Income	\$	336,101
<b>Total Equity</b>		<b>\$ (633,766)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>\$ - \$ 1,310,570</b>

## Notes to Balance Sheet:

1. Total Accounts receivable continues to grow as order volume increases. Increased working capital or lines of credit are required for future growth.
2. Management deferred a large portion of salaries from prior years.



# Financial Statements – Historical Summary



- ☐ Gross revenue reached \$2.4 million for fiscal year 2010 ending in October. Gross Margin was approximately 58% on Gross Revenue.
- ☐ The Company currently accounts for all expenses on a cash basis. As a result , all expenditures are recognized at the time they are incurred.
- ☐ Adjusted Net Income for fiscal year 2010 was approximately \$476k when adjusting for legal costs and settlement income related to the successful settlement of a lawsuit against Stratech Systems Ltd.
- ☐ Adjusted Net Margin for fiscal year 2010 was approximately 20%. The Company expects to continue revenue growth in 2011 and beyond as the Gatekeeper product reputation and market acceptance continues to meet world wide demand.
- ☐ The Company has no outstanding legal actions.

# Pro-forma Financial Statements

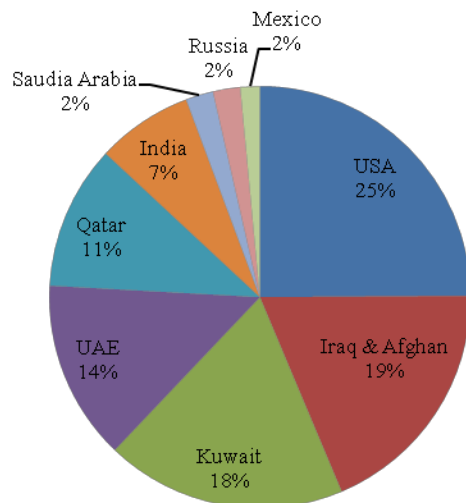


## 5 Year Proforma Profit & Loss Gatekeeper, Inc.

	2011	2012	2013	2014	2015
<b>Total Units Sold</b>	135	290	450	600	800
<b>Revenue</b>					
<b>Total Sales Revenue</b>	\$5,779,900	\$11,235,000	\$16,277,500	\$20,587,500	\$25,225,000
<b>Service Revenue</b>	\$577,990	\$1,123,500	\$1,627,750	\$2,058,750	\$2,522,500
<b>Miscellaneous Revenue</b>	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	\$6,357,890	\$12,358,500	\$17,905,250	\$22,646,250	\$27,747,500
 <b>Total Cost of Goods Sold</b>	\$3,063,347	\$5,505,150	\$7,650,425	\$9,058,500	\$10,594,500
 <b>Gross Profit on Sales and Service</b>	<b>\$3,294,543</b>	<b>\$6,853,350</b>	<b>\$10,254,825</b>	<b>\$13,587,750</b>	<b>\$17,153,000</b>
Miscellaneous Interest Income	\$0	\$0	\$0	\$0	\$0
Settlement Income	\$0	\$0	\$0	\$0	\$0
Other Income - Other	\$0	\$0	\$0	\$0	\$0
Vendor Discount	\$0	\$0	\$0	\$0	\$0
<b>Gross Income</b>	<b>\$3,294,543</b>	<b>\$6,853,350</b>	<b>\$10,254,825</b>	<b>\$13,587,750</b>	<b>\$17,153,000</b>
<b>Gross Margin on Sales Only</b>	<b>47%</b>	<b>51%</b>	<b>53%</b>	<b>56%</b>	<b>58%</b>
 <b>Expenses</b>					
<b>Total General Operational Expenses</b>	\$ 1,150,000	\$ 850,000	\$ 925,000	\$ 1,150,000	\$ 1,200,000
<b>Total Payroll Expenses</b>	\$ 600,000	\$ 1,150,000	\$ 1,300,000	\$ 1,400,000	\$ 1,500,000
<b>Total Payroll Taxes</b>	\$ 60,000	\$ 115,000	\$ 130,000	\$ 140,000	\$ 150,000
<b>Total Professional Fees</b>	\$ 65,000	\$ 100,000	\$ 125,000	\$ 125,000	\$ 125,000
<b>Rent</b>	\$ 140,000	\$ 140,000	\$ 160,000	\$ 180,000	\$ 180,000
<b>Total Service Charges</b>	\$ 12,000	\$ 20,000	\$ 25,000	\$ 30,000	\$ 35,000
<b>Miscellaneous</b>	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000	\$ 30,000
<b>Telephone and Fax</b>	\$ 60,000	\$ 80,000	\$ 90,000	\$ 105,000	\$ 115,000
<b>Total Travel &amp; Entertainment</b>	\$ 250,000	\$ 250,000	\$ 325,000	\$ 350,000	\$ 400,000
<b>Utilities</b>	\$ 5,000	\$ 10,000	\$ 15,000	\$ 15,000	\$ 15,000
<b>Total Expense</b>	<b>\$ 2,352,000</b>	<b>\$ 2,730,000</b>	<b>\$ 3,115,000</b>	<b>\$ 3,520,000</b>	<b>\$ 3,750,000</b>
 <b>Pro-Forma Pre-Tax Net Income</b>	<b>\$ 942,543</b>	<b>\$ 4,123,350</b>	<b>\$ 7,139,825</b>	<b>\$10,067,750</b>	<b>\$ 13,403,000</b>
	15%	33%	40%	44%	48%

Note: Expenses for 2011 showed a significant increase over fiscal year 2010 as a result of expenses associated with the strategic initiatives discussed earlier and the company's use of cash accounting.

## 2010 Purchase Orders & Closed Orders by Country



❑ Throughout 2010 the United States contributed approximately 25% of the overall orders for Gatekeeper products based on dollar value of orders.

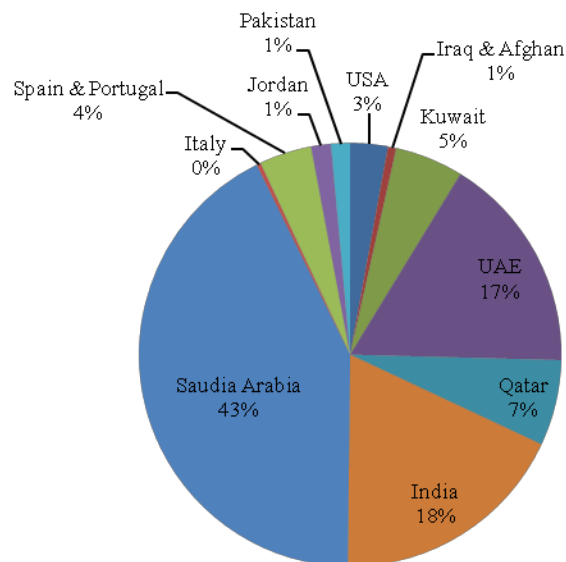
❑ Countries in the Middle East including Iraq, Afghanistan, Kuwait, Qatar, Saudi Arabia and the UAE accounted for roughly 64% of the overall orders based on dollar value of orders.

❑ Note: Table includes Purchase Orders as well as Closed Orders and as a result \$ Value will differ from numbers related to 2010 Revenue in other parts of presentation.

Country	Quantity	\$ Value	% of \$ Value
USA	17	\$1,061,497	25%
Iraq & Afghan	17	\$800,000	19%
Kuwait	16	\$784,953	18%
UAE	12	\$587,936	14%
Qatar	7	\$472,000	11%
India	10	\$314,050	7%
Saudia Arabia	2	\$90,000	2%
Russia	1	\$89,000	2%
Mexico	1	\$63,350	1%
<b>Totals:</b>	<b>83</b>	<b>\$4,262,786</b>	<b>100%</b>

# Pipeline of Future Opportunities

## Current Gatekeeper Pipeline of Opportunities



❑ Gatekeeper products are in demand worldwide

❑ The known pipeline of opportunities currently being evaluated by Management exceeds \$24 million in sales potential.

❑ Global demand has soared. Revenue opportunities out of the Middle East region alone represents 76% of the current sales pipeline for Gatekeeper.

Country	Quantity	\$ Value	% of \$ Value
Saudia Arabia	233	\$10,253,110	43%
India	190	\$4,387,500	18%
UAE	91	\$4,023,000	17%
Qatar	34	\$1,580,000	7%
Kuwait	25	\$1,259,000	5%
Spain/Portugal	12	\$966,000	4%
USA	11	\$690,000	3%
Jordan	7	\$362,481	2%
Pakistan	7	\$350,000	1%
Iraq & Afghan	2	\$155,000	1%
Italy	1	\$75,000	0%
Mexico	0	\$0	0%
Russia	0	\$0	0%
<b>Totals:</b>	<b>613</b>	<b>\$24,101,091</b>	<b>100%</b>

- Gatekeeper Security has an extensive non-exclusive Reseller Network in place to market, sell, install, maintain and support Gatekeeper products and systems.
- There are a number of sales that are closed directly with Gatekeeper, however, the vast majority of revenue is created through the reseller network.

Reseller(s)	Country(s) Supported
G4S Global Security*	Saudi Arabia, Yemen, Oman, UAE, Qatar, Algeria, Libya, Mauritania, Pakistan, India, Thailand
Olive Group	Iraq, UAE, Qatar
Ronix Standart	Russia
Mexintech International	Mexico
Columbia One	Egypt
National Advanced Systems Company STESA Thales Arab Builders for Telecomm. and Security Services Naizak	Saudi Arabia
Atlas Telecom	UAE
CICOM Si Stemas SL	Spain
Panasonic Security Systems	Portugal
Winswing	Korea

\*The world's leading international security solutions group

Gatekeeper Security

# **INDUSTRY OVERVIEW & DETAIL**



## **Commercial**

Commercial entities are aware that they may be targets of terrorist threats and, therefore, take proactive steps to safeguard their customers, employees and property. Many businesses have hired Gatekeeper to customize and install security systems that allow them to focus on business and not bombs. These include: central banks, international banks, chemical companies, insurance companies and hotels throughout the developed world



## **Government**

Charged with providing important and critical services for its citizens, government agencies are keenly aware that threats can come from anywhere at any time. Gatekeeper helps keep these agencies out of harm's way by providing products that automatically and quickly alert security personnel of possible danger. Some government installations include: federal and local government, military headquarters and field operations, international monitoring agencies either at home and/or abroad



## **Energy**

Energy is at the core of commerce and it's what makes a society run. Because of its importance, facilities that produce energy must be safeguarded against any and all threats. Gatekeeper's mission to help fight terrorism extends into this realm with products customized and installed in: nuclear power plants, natural gas facilities, oil refineries and water reservoirs worldwide



## **Transportation**

The global population is extremely mobile with millions constantly traveling by plane, train, automobile and ship. Passenger safety is a constant concern of travel authorities and, of course, the passengers themselves. Gatekeeper helps keep the public safe by installing systems at: airports, seaports, railroad companies, border crossings and cargo loading facilities across the globe



- ❑ The table on slide 35 illustrates the vast differences between Gatekeeper's fully-automated system and the competitors lower tech offering.
- ❑ Fully automatic digital image processing systems or technology based systems are selected in order to move away from a mirror/camera on a stick and/or other continuous running video monitoring systems.
- ❑ Automatic systems are not dependent on human operation or inspection.
- ❑ Gatekeeper provides two sixty degree angle views (one forward and one back) of the undercarriage – Line scanners provide a single 90 degree view.
- ❑ Gatekeeper can recognize a vehicle by its undercarriage image – Line scanners have no ability to recognize a vehicle solely from the image.
- ❑ Gatekeeper's automatic system has the ability to "search" under vehicles, identify foreign objects and suspicious modifications to the underside of vehicles.

**Below is a brief description of the Company's main competitors. Gatekeeper considers Area Scan and Line Scan technology as the major competition. Video based technology we believe is an indirect competitor. Video technology is far cheaper, but is suited to a completely different market than Gatekeeper targets.**

**Stratech** – Uses a similar Area Scan technology that performs better than line-scan technology. Automated matching of vehicles is done by the vehicles license plate (easily manipulated) as opposed to the vehicles undercarriage which is far more secure and reliable. The Stratech system introduces false readings and incomplete information due to the systems inability to obtain high quality images in an uncontrolled environment. When tested side by side with Gatekeeper systems, procurement agencies and customers witness the true differentiation of Gatekeeper systems over the Stratech systems.

**Perceptics** One of Gatekeeper's competitors, Perceptics Imaging Technology Solutions manufactures an Under-Vehicle Inspection Unit. This product uses the line-scan camera technology to inspect the undercarriage of passenger and commercial vehicles.

**SecuScan**- Another direct competitor, is the Under-Vehicle Monitoring System from SecuScan. The monitoring system is used for detection of weapons and explosives, drugs and contraband. This system uses a line-scan camera, a mirror and an infrared LED lighting unit to capture the image of the undercarriage of the car.

**Teleradio**- The Under-Vehicle Inspection System offered by Teleradio also uses the line-scan technology. The camera captures an image of the undercarriage of the vehicle and then it is sent to the lap-top for comparison by security staff.

# Competition - Matrix



	Gatekeeper Inc.	Stratech	Perceptics	SecuScan	Teleradio
Automatic Vehicle Identification by Image	Yes	No, Requires License Plate Reader	No, Requires License Plate Reader	No, Requires License Plate Reader	No, Requires License Plate Reader
Automatic Foreign Object Detection	Yes	Marginal, inconsistent	No	No	No
Reference Image Database	Yes	Yes, based on LPR	No	No	No
Consistent Vehicle Image	Yes	Marginal	No	No	No
Integrate with ancillary devices	Yes	Yes	Marginal	Marginal	Marginal
Threat Detection Technology	Fully Automatic - Patented	Marginal, inconsistent	Human Observation	Human Observation	Human Observation
Inspection Time	5-6 seconds	> 60 seconds	>1-2 minutes	>1-2 minutes	>1-2 minutes
Base Package Cost	\$55,000	\$60,000	\$50,000	\$55,000	\$45,000

## Area Scan Processing

- ❑ Area Scan systems build images with thousands of pixels per frame
- ❑ Gatekeeper systems stream at a rate of 360 frames per second and are “stitched” via an overlapping technique developed by Gatekeeper patented technology. This allows for frames to be overlapped to create a clear high resolution image devoid of motion blur.
- ❑ Regardless of the speed of the vehicle there are a significant number of rows of pixels within each frame to find a common stitching point. This removes the speed of the vehicle as a variable and creates normalized images every time. Line scanners do not have this capability and images are rarely alike enough to allow effective analysis.
- ❑ Resolution of the Gatekeeper area scan system is achieved via the sensor providing spatial resolution of at least four pixels for every 0.25mm.
- ❑ Color images maybe appealing to the human eye , but do not have the higher resolution necessary for computer vision analysis. Gatekeeper uses 12 bit monochrome pixel technology which generates much more digital information per pixel than color pixel images.
- ❑ The Gatekeeper vision system does not rely on color to identify the vehicle in the system database or to identify any change between undercarriages.
- ❑ All of the technologies deployed by Gatekeeper allow the Gatekeeper area scan system to build a digital fingerprint of a vehicle, recall it from a database, compares the images and highlights the areas of change.

## Line Scan Processing

- ❑ Line scan cameras use a CCD series of lines, each containing a single row of pixels.
- ❑ Line scanned whole images are created by combining many lines of pixels into a length and width image.
- ❑ Line scanning is used in fax machines. A document is created easily when the image is simple and is more difficult when the image is complex or heavy.
- ❑ The scanning rate is dependent on the density of the image....for vehicles, controlling the speed of the vehicle is crucial to generating high resolution images. A faster or slower rate will produce images that are shorter or longer and result in a distorted image. Consequently, line scan systems cannot automatically find and compare a reference image from a database. Comparison and analysis must be done manually and by a visual inspection alone which is time consuming and not nearly as reliable.
- ❑ The only way to produce a consistently clear image is to stop a vehicle and control the speed of the line scanner (similar to a photo copier). This solution remains time consuming and still does not allow for images to be stitched together to allow for a reliable comparison that detects anomalies or threats as consistently and accurately as area scanning technology.
- ❑ Line scanning under vehicle systems produce a range of images of the same vehicle that are erratic in quality. Images are compressed or elongated.

- ❑ GatePost is the centerpiece of Gatekeeper Security's biometric access Entry Control Point System (ECPS).
- ❑ Fully automated inspection and vehicle driver/passenger identification system.
- ❑ GatePost is designed to allow the checkpoint personnel to remotely identify the driver and passengers by using identification cards, fingerprints and other forms of identification to match the person with information in the customer's Registration Database
- ❑ Security personnel may further question the visitor(s) via two-way digital voice intercom
- ❑ The high-resolution PTZ (pan-tilt-zoom) camera with up to 35X optical zoom to further identify the driver (and passengers) and to visually search the inside of the vehicle.
- ❑ 5 Prototype units are deployed with US Special Forces Teams in Afghanistan and Pakistan



**GatePost equips security personnel with a high level of authentication for vehicles, drivers and passengers while keeping security personnel safely away from snipers or vehicle borne improvised explosive devices (VBIEDs)**